



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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Manila



PRESS RELEASE
6 October 2022

**INSURERS, HMOs, AND MBAs PAID ₱1.18B
IN COVID-19-RELATED CLAIMS IN THE SECOND
QUARTER OF 2022, SURVEY SAYS**

Total COVID-19-related claim payouts made by life and non-life insurers, health maintenance organizations (HMOs), and mutual benefit associations (MBAs) reached ₱1.18 billion for the quarter ending on 30 June 2022, according to a survey recently conducted by the Insurance Commission.

The results of the IC survey, which was designed to assess the continuing financial impact of COVID-19 on our regulated entities, reveal that payouts by the life insurance sector of the insurance industry constitute 74% of the total COVID-19 claim payouts from April to June 2022 amounting to ₱877.30 million. HMOs paid 22% of the total COVID-19-related claims for the same period, which amounts to ₱258.40 million. Meanwhile, the non-life insurers paid 3% and MBAs paid 1%, amounting to ₱32.60 million and ₱14.90 million, respectively.

SURVEY PARTICIPANTS

31 out of 32 licensed life insurers, 49 out of 55 licensed non-life insurers, 31 out of 33 licensed MBAs, and 26 out of 29 licensed HMOs participated in the survey. This translates to a total of 137 out of 149, or 91.95% participation.

Out of said survey respondents, 30 out of 31 respondent life insurance companies indicated that they received claims relative to the COVID-19 pandemic for the period April to June 2022. Meanwhile, 20 out of the 49 respondent non-life insurers reported that they received such claims during the same period. For MBAs, 20 out of 31 reported having received COVID-19-related claims during April to June 2022; while for HMOs, the number is 21 out of 26.

CLAIMS PAID TREND IN Q1 TO Q2 2022

The survey conducted by the Insurance Commission also reflected the trends between COVID-19-related claims paid by its regulated entities from January to June 2022 and the reported number of new COVID-19 related cases in the Philippines during the same period.

The figures reveal that when the total number of new COVID-19 cases breached the 700,000-mark for the month of January 2022, claims paid for said month amounted to approximately ₱1.2 billion. During the months of February to May, the amount of

COVID-19-related claims steadily decreased as new cases decreased. However, COVID-19-related claims paid slightly increased between the months of May and June 2022, notwithstanding the generally downward trend.

RANKING OF CLAIMS PER BENEFIT, Q2 2022

During the months of April to June 2022, 71.15% of the total ₱1.18 billion paid by life and non-life insurers, HMOs, and MBAs pertained to Death Benefits, amounting to ₱842 million. This is followed by Out-Patient Benefits, amounting to ₱141 million or 11.89% of the total amount. Meanwhile, said regulated entities paid ₱139 million in In-Patient claims, accounting for 11.74% of the ₱1.18 billion total for the months of April to June 2022. These three (3) benefits make up 95% of the total amount of claims paid.

In terms of the number of claims for the months of April to June 2022, however, claims for Out-Patient Benefits ranked first, with 32,963 claims out of a total of 42,767. This is followed in ranking by 2,949 claims for Other Benefits (e.g., Emergency Benefit, Financial Assistance benefits, etc.) and 2,917 claims for Death Benefits, respectively.

Notably, the amount of COVID-19-related claims paid in Q2 2022 is lesser by 52% than the amount paid in the same quarter of 2021. Despite the significant overall decrease across the various kinds of benefits paid, death claims paid increased by 8% and hospitalization benefits likewise increased by a staggering 332.54%, year-on-year.

CLAIMS PAID FROM 2020 TO Q2 2022

Since the start of the pandemic until 30 June 2022, total COVID-19-related claims paid by the life and non-life insurance companies, HMOs, and MBAs reached ₱20.82 billion. Of this amount, ₱12.82 billion, or 61%, was paid in 2021, ₱3.89 billion, or 19%, was paid in 2020, while ₱4.11 billion, or 20%, was paid in the first half (January to June) of 2022.

As for the aggregate amounts paid per industry from the start of the pandemic in 2020 until 30 June 2022, life insurers lead the pack with ₱11.72 billion in COVID-19-related claims paid, constituting 56% of the ₱20.82 billion total. This is followed by the HMO industry with ₱7.65 billion in payments, constituting 36% of the total. Meanwhile, MBAs and the non-life insurers paid 5% and 3% of the total ₱20.82 billion, respectively, which amounts to ₱896.80 million for MBAs and ₱560 million for non-life insurers.

COMPARISON OF CLAIMS PAID PER INDUSTRY: 2020 TO Q2 2022

In 2020, HMOs paid the biggest chunk of COVID-19-related claims amounting to ₱1.91 billion. This is followed by the life insurance sector of the insurance industry, with ₱1.47 billion. Meanwhile, the MBA sector and non-life insurance sector paid ₱355 million and ₱160 million, respectively.

In 2021, the life insurance sector paid a staggering ₱7.59 billion in COVID-19-related claims. This is followed by the HMO industry, which paid ₱4.53 billion in 2021. During the same year, MBAs paid ₱478 million and non-life insurers paid ₱222 million.

Between the months of January to June 2022, the life insurance sector remained to be the leading payor of COVID-19-related claims paid, with payments amounting to ₱2.66 billion. This is followed by the HMO industry with ₱1.21 billion. During the first half of 2022, non-life insurers paid ₱178 million and MBAs paid ₱64 million in COVID-19-related benefits.

STABLE GROWTH AMID COVID-19 CLAIMS PAID

“While COVID-19 claims paid by our regulated entities amounting to ₱20.82 billion as Q2 2022 remain substantial, this has minimal impact to said industries’ growth. The ₱4.11 billion paid by the life and non-life insurance sectors in Q2 2022 constitutes a mere 6.76% of the ₱60.78 billion total benefit payments that they made during the same period. Despite this payout, the insurance industry remains stable as growth parameters showed positive performance year-on-year. Insurance industry assets are now more than ₱2 trillion, as it increased by 12.21% between Q1 2021 and Q1 2022, while the industry’s net worth also grew by 24.27% to ₱393 billion during the same period. Meanwhile, the aggregate paid-up capital and guaranty fund of the insurers and MBAs also expanded by 9.75% year-on-year to ₱75.90 billion,” stressed Insurance Commissioner Dennis Funa.

“While it may be arguable that COVID-19-related claims only account for a small portion of benefits paid by our regulated entities, the impact of these benefit payments was undoubtedly felt by our fellow Filipinos especially when they needed these benefits,” Commissioner Funa added.



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